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CalHFA PROGRAM HELPS OWNER-BUILDERS TO HELP THEMSELVES

SACRAMENTO, May 9, 2003 – With a combination of innovative financial assistance, dedicated team work and sheer “sweat equity”, 22 empty lots are about to become 22 owner-built affordable homes in Oroville. This labor-sharing construction method is made possible through the California Housing Finance Agency’s (CalHFA) Self-Help Builder Assistance Program (SHBAP).

SHBAP offers an opportunity to families and individuals with limited downpayment resources to obtain homeownership with the borrower’s labor, or “sweat equity”, representing the downpayment. In this program, CalHFA makes a long-term builder loan to non-profit, self-help housing developers with the necessary resources to provide adequate technical assistance to owner-builders.

The Oroville project, called “Cherokee Estates” is located at the edge of the city limits in a rural setting with beautiful views of Table Mountain, and is also conveniently located to schools, shopping and other services. The sweat equity for this project will consist of three groups of seven or eight families who will be required to work a minimum of 30 hours per week to perform tasks such as site preparation, carpentry, painting, finish work, cabinetry and landscaping.

The CalHFA loan for Cherokee Estates submitted by the Community Housing Improvement Program (CHIP) is in the amount of \$500,000. CalHFA will also provide low interest rate financing to the families once the construction is complete.

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CHIP was incorporated in 1973 and serves the people of Butte, Glenn, Tehama, Yuba, Shasta and Sutter counties. In the nearly 30 years it has been operating, CHIP has rehabilitated 533 homes, built 369 multi-family units and built over 1,241 sweat-equity single family homes. CHIP has partnered with CalHFA on 19 projects, 5 SHBAP Development Loans for 345 homes.

“The Cherokee Estates project is a perfect example of CalHFA helping motivated individuals and families to help themselves,” says Theresa Parker, CalHFA Executive Director. “Sharing the labor is hard work, but sharing the gratification of living in an owner-built home is worth the investment.”

CalHFA – the State’s affordable housing bank – was chartered 27 years ago to assist Californians to achieve the dream of safe, affordable and decent housing. Additional information on the full complement of CalHFA programs can be obtained by calling 1.800.789.2432 or visiting the web site at www.calhfa.ca.gov.

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